DEFAULT GROWTH PORTFOLIO

QUARTERLY FACT SHEET AS AT 31 DECEMBER 2023

The Default Growth Portfolio invests in a range of local and foreign asset classes, including equities, listed property, bonds and cash. The management of the assets are outsourced to professional investment managers that have been given full discretion to allocate capital between (and within) these asset classes in line with their views of current and expected market and economic conditions, in proportions appropriate to the portfolio's objective, and subject to the regulatory limits applicable to retirement funds. Passive strategies may be included where deemed appropriate, either by the underlying managers themselves, or as separate building blocks. The underlying managers bring a diverse range of capabilities, investment styles and philosophies to the table, with the aim of achieving competitive relative performance throughout the market cycle.

GENERAL PORTFOLIO INFORMATION

PORTFOLIO:	Default Growth		HIGH	MED	LOW

Objective: To maximise investment growth over the long term.

Portfolio characteristics: Given the portfolio's objective of maximising returns, it will usually have a high exposure to equities (up to the regulatory limit of 75%).

While the performance of the Default Growth Portfolio is expected to be the higher than the Default Protection Portfolio over the long term, returns can be very volatile over the short term, with the possibility of occasional temporary losses.

Some periods where the Default Growth Portfolio underperforms the Default Protection Portfolio over the short to medium term should therefore be expected.

Return target: Aims to achieve a net return of at least 5% a year above inflation (CPI) over the long term (i.e. more than five years).

Total Investment Charges (TIC): 1.17%

Risk profile & suitability: Has a moderate to high risk profile, and is typically suitable for members who:

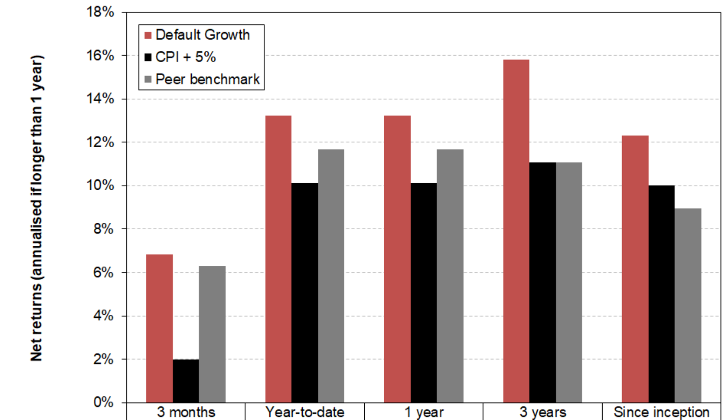
- Are seeking high levels of investment growth;
- Can tolerate the associated high levels of volatility;
- Have an investment horizon of more than five years.

Peer benchmark: Estimated net median return of the Alexander Forbes Global Best Investment View survey

Inception date: 1 July 2019

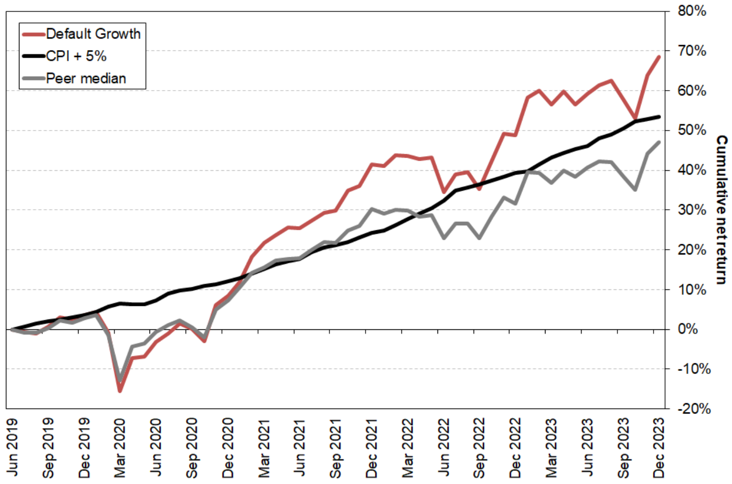
PERFORMANCE

NET RETURNS



	3 months	Year-to-date	1 year	3 years	Since inception
Default Growth	6.8%	13.2%	13.2%	15.8%	12.3%
CPI + 5%	2.0%	10.1%	10.1%	11.1%	10.0%
Peer benchmark	6.3%	11.7%	11.7%	11.1%	8.9%

CUMULATIVE NET RETURNS

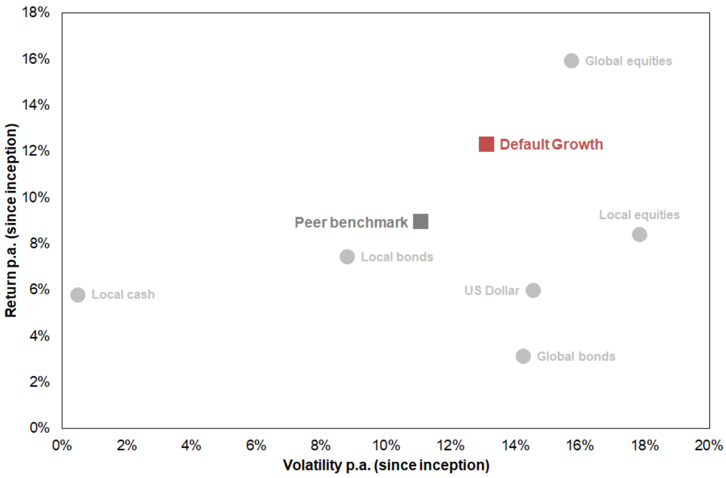


MONTHLY NET RETURNS

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Peer benchmark
2019							-0.5%	-0.6%	1.9%	2.2%	-0.6%	1.3%	**3.7%**	**2.9%**
2020	0.7%	-5.2%	-14.7%	9.8%	0.5%	4.0%	2.2%	2.5%	-1.4%	-3.0%	9.2%	2.3%	**4.6%**	**4.3%**
2021	3.2%	5.6%	2.9%	1.7%	1.6%	-0.1%	1.5%	1.5%	0.5%	3.8%	1.0%	4.0%	**30.5%**	**21.4%**
2022	-0.3%	1.9%	-0.1%	-0.6%	0.3%	-6.1%	3.3%	0.4%	-3.1%	5.1%	5.0%	-0.3%	**5.2%**	**1.1%**
2023	6.4%	1.0%	-2.1%	2.1%	-2.0%	1.7%	1.4%	0.7%	-2.9%	-3.0%	7.0%	2.9%	**13.2%**	**11.7%**

RISK

VOLATILITY VS RETURN [1]



ASSET ALLOCATION

Asset class	Local	Foreign	Total
Equities	38.5%	30.0%	68.5%
Property	3.1%	0.3%	3.4%
Bonds	16.8%	6.0%	22.8%
Cash	2.6%	1.7%	4.3%
Other	1.0%	0.0%	1.0%
Total	**62.1%**	**37.9%**	**100.0%**

RISK

Risk statistic [1]	Default Growth	Peer benchmark
Volatility	13.1%	11.1%
% negative months	33.3%	35.2%
Largest monthly loss	-14.7%	-11.6%
Largest cumulative loss	-19.1%	-15.9%

UNDERLYING PORTFOLIO ALLOCATION

Portfolio	Strategic allocation	Current allocation
Abax Balanced	20.0%	20.9%
Aylett Balanced	20.0%	20.5%
Coronation Managed	20.0%	19.5%
Ninety One Balanced	20.0%	17.7%
PSG Balanced	20.0%	21.5%

NOTES

1. Since inception.

COMMENTARY

The markets

The year ended well for the markets, with most asset classes rallying strongly on the back of waning inflation concerns and the possibility of interest rate cuts in 2024. With positive returns of around 7-8% from local equities, local bonds and global equities during the quarter, the average balanced fund returned a very satisfying +6% in 2023 Q4.

With such a strong finish under its belt the average balanced fund ended up having a relatively good year, returning +12% in 2023. Although Q4's recovery managed to push the local markets' returns into respectable territory for the year (equities = +9%, bonds = +10% and cash = +8%), it was the strong returns from global markets (equities = +31% and bonds = +13%) that did most of the heavy lifting for retirement funds in 2023.

Following a flat 2022 (when local markets were the main contributor to returns), a strong 2021 (+20%), a slow 2020 (+5%) and a decent 2019 (+10%), the average balanced fund has delivered positive returns of around 9-11% p.a. over the medium term (3-5 years). This is about 4-5% p.a. ahead of inflation, which is in line with most retirement funds' real return targets. Considering the many global and local challenges markets have faced over this period (including lockdowns, rising inflation and interest rates, geopolitical tensions, infrastructure breakdowns, political missteps, etc.), this is not a bad outcome.

With the end of a strong 5-year bull market (from 2009 to 2013) providing an elevated base at the start, a stagnating economy in the middle, and quite poor sentiment incorporated in local markets at the end (reflected in current crisis-like valuation levels), most balanced funds have endured a difficult 10 years. This is unsurprisingly reflected in their rather unimpressive average returns of around 7-8% p.a. over this period. That being said, in this 'worst-case-like' scenario, the average balanced fund still managed to outperform cash by 1-2% p.a., and inflation by 2-3% p.a.

Over longer periods (15 to 20 years) the average balanced fund has delivered nominal returns of 9-12% p.a., which translates to a sufficient real return of 4-6% p.a.

Your portfolio

The Default Growth portfolio participated in the strong market gains of 2023 Q4, delivering a solid return of +6.8% for the quarter, and outperforming the peer benchmark by a small margin.

This resulted in Default Growth ending 2023 with a good return of +13.2%, with solid contributions from Abax (+17.3%), Coronation (+15.1%) and PSG (+15.6%) being partially offset by under-performance from Aylett (+9.9%) and Ninety One (+8.0%).

Default Growth's performance over the last three years (+15.8% p.a.) remains quite strong in absolute and relative terms, outperforming the peer benchmark by almost 5% p.a. This was aided by the fact that PSG (+20.1% p.a.), Aylett and Abax (both returned +18.1% p.a.) were the three top performers in their category (of 200+ competitors) over this period.

Since its inception 54 months ago Default Growth has returned +12.3% p.a., outperforming the peer benchmark by 3.4% p.a. and inflation by 7.3% p.a.

COMMENTARY (CONT'D)

Please see below for further commentary on Default Growth's underlying portfolios.

Abax

Abax had a good quarter (+6.2%), but it's their return for the year (+17.3%) that was particularly impressive, earning them the top spot in the Alexander Forbes Global Manager Watch™ - Best Investment View Survey (consisting of 45 competitors). This was mostly driven by the portfolio's high offshore weighting (close to 45% for the majority of the year) and the strong returns that came from this area of the market.

Abax thus remains one of the market's top performers since the inception of the Default Growth strategy 54 months ago, with their return of +13.2% p.a. being more than 4% p.a. ahead of the peer benchmark.

Aylett

Aylett had a strong quarter (+7.0%), which capped off a disappointing year (+9.9%) by their standards. Their underformance in 2023 was mostly driven by their global stock picks, where not holding any of the high-flying Magnificent Seven stocks was a big detractor in relative terms.

Even though they've been a below-average performer in 2023, they maintain a significant lead over the peer benchmark over the last three years (+18.1% p.a. vs 11.1% p.a.), and remain the strategy's best performer since inception 54 months ago (+13.9% p.a. vs +8.9% p.a. from the peer benchmark).

Coronation

Coronation ended an already-good year on a high note, returning +7.0% and beating the peer benchmark by almost 1%. This brought their return for the calendar year to +15.1%, making them one of the better performers in 2023.

Their performance over this period was mostly driven by the portfolio's high offshore weighting (44% at year-end) and the strong returns that came from this area of the market. Outperformance within the portfolio's local equity component also contributed to relative returns in 2023.

Over the last three years Coronation has also done well (+12.9% p.a.), outperforming the peer benchmark by almost 2% p.a., with their local stock picks being the biggest contributor in absolute and relative terms.

Over longer periods Coronation continues to outperform the peer benchmark by 1-3% p.a.

Ninety One

After a tough start to the year Ninety One had a much better quarter, delivering a competitive return of +7.1% in Q4.

Unfortunately Ninety One's underperformance in Q2 and Q3 (following below-benchmark returns from their local and global stock picks) means that their return of +8.0% in 2023 is disappointing in relative terms.

With momentum shifting many times in the markets over the last three years, Ninety One's investment style, which focuses on earnings revisions, has generally struggled, with their return of +9.5% p.a. being almost 2% p.a. behind the peer benchmark.

Over the long term Ninety One remains around 1% p.a. ahead of their peers, however.

PSG

PSG finished the year with a good quarter (+6.9%), bringing their return for 2023 to a very competitive +15.6%. This was driven by outperformance from their local stock picks and competitive returns from offshore, despite their below-average allocation to global markets and their underweight to US tech.

Over the last three years PSG's return of +20.1% p.a. is ahead of the peer benchmark by a staggering 9% p.a., a performance which earned them the top spot in both the Alexander Forbes Global Manager Watch™ - Best Investment View Survey (consisting of 45 competitors) and the ASISA MA High Equity category (consisting of 200+ funds).

In the 54 months since Default Growth's inception, PSG has returned +13.1% p.a., which is more than 4% p.a. ahead of the market benchmark.